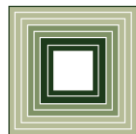


# Joint Appropriations Committees on Transportation

## Base Budget Overview



**February 28, 2017**



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

# Full Chair Guidance

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- Review the Base Budget
- Develop a Committee Strategy to focus discussion:
  - Use the Long Session to focus on broad policy initiatives
  - Use the Short Session to make adjustments
- Determine which programs work



## **Refer to the Full Chairs:**

- **Salary issues**
- **Capital expenditures**

# Budgeting Terms: Appropriation

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## Appropriation

An enactment by the General Assembly authorizing the withdrawal of money from the State treasury.

*State Budget Act – Chapter 143C-1-1(d)(1)*

“No money shall be drawn from the State treasury but in consequence of appropriations made by law.”

*NC Constitution, Art. V, Section 7*

# Budget Terms: Base Budget

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- Previous year's authorized budget
- Backs out nonrecurring reductions or increases
- May also include adjustments for:
  - Annualization of programs
  - Federal payroll tax changes
  - Contracted lease rate increases
  - Receipt projections
  - Reconciliation of intra- and intergovernmental transfers

# Budgeting Terms: Budget Types

**Certified Budget:** The budget as enacted by the General Assembly, plus any funds appropriated to reserves to be allocated to agencies.

*Ex.: The 2016 Budget appropriates \$10,000 for computers.*

*Certified budget = \$10,000*

**Authorized Budget:** The certified budget updated to reflect line-item reallocations approved by the Office of State Budget and Management (OSBM) as authorized by G.S. 143C-6-4.

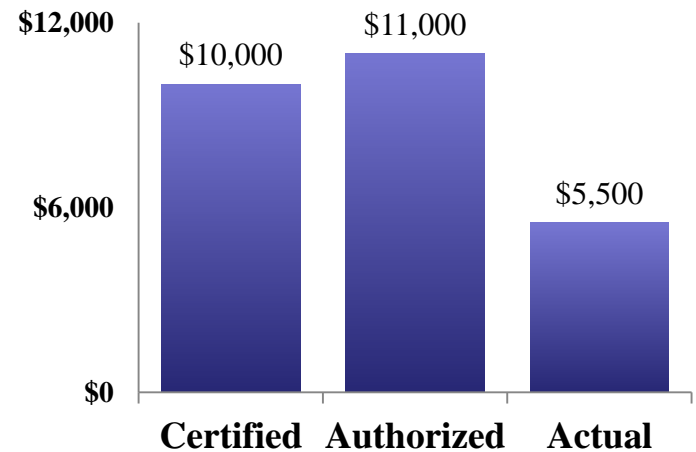
*Ex.: DOT needs new computers. They want to take some money from the furniture budget to pay for it.*

*Authorized budget = \$11,000*

**Actual Budget:** The budget as it was implemented.

*Ex.: The Division of State Purchase and Contract got the State a great deal on computers. The final cost for Agency Y's 11 computers is \$5,500.*

*Actual budget = \$5,500*



# Budgeting Terms: Codes

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**Budget Code:** A five digit code assigned by OSBM that identifies the fund type (General Fund, Highway Fund, etc.) and the entity.

- DOT has 7 Certified Budget Codes:
  - Highway Fund: 84210
  - Highway Trust Fund: 84290
  - Turnpike Special Fund: 64208
  - Ports: 04210
  - Global TransPark: 04280
  - Collegiate Plates: 24265
  - Special Registration Plates: 24261

**Fund Code:** A four digit code identifying funds designated for a specific purpose or program within an agency. Fund Codes are a subset of the Budget Code.

- DOT has 178 Highway Fund (84210) – Fund Codes

# Budgeting Terms: Funds

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**General Fund:** The main source of operating funds for the State. Comprised of the beginning credit balance, State tax revenue, and State non-tax revenue.

**Special Fund:** Fund to which revenues are deposited that are designated for a specific purpose and remain in the account until expended for that purpose.

*Example: Seized and Forfeited Assets Funds*

**Enterprise Fund:** Fund for any activity for which a fee is charged to external users for goods or services.

*Example: Correction Enterprise Fund*



# Budgeting Terms: Accounts

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**Personal Services:** Services rendered by permanent and temporary employees and related fringe benefits.



**Purchased Services:** Services provided by external firms, agencies, or divisions within the same organization. Includes contracts, IT and travel costs.



**Supplies:** Supplies or materials expected to be consumed within the normal course of operating and which are generally recurring in nature.



# Budgeting Terms: Accounts

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**Property, Plant and Equipment:** Payments for acquiring property, constructing additions to buildings, and purchasing equipment, furniture, and machinery that is not consumable or expendable and has an expected life of longer than one year.



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**Other Expenses and Adjustments:** Miscellaneous operational costs such as legal or permit costs, pension payments, or subscriptions.



**Aid and Public Assistance:** Funds to direct recipients, providers or other agencies for designated programs, assistance or special projects.

